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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-020, C-570-021

Melamine from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: Based on affirmative final determinations by the Department of Commerce ("Department") and the International Trade Commission ("ITC"), the Department is issuing antidumping duty ("AD") and countervailing duty ("CVD") orders on melamine from the People's Republic of China ("PRC").

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: James Terpstra at (202) 482-3965 or Brendan Quinn at (202) 482-5848, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On November 6, 2015, the Department published its final affirmative determination of sales at less than fair value ("LTFV") and its final affirmative determination that countervailable subsidies are being provided to producers and exporters of melamine from the PRC.¹ On December 18, 2015, the ITC notified the Department of its final affirmative determination

¹ See *Melamine From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 80 FR 68851 (November 6, 2015) ("AD Final Determination"). See also *Melamine From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 80 FR 68847 (November 6, 2015).

pursuant to section 735(b)(1)(A)(i) of the Tariff Act of 1930, as amended (“the Act”), that an industry in the United States is materially injured by reason of LTFV imports and subsidized imports of melamine from the PRC.²

Scope of the Orders

The merchandise subject to these orders is melamine (Chemical Abstracts Service (“CAS”) registry number 108-78-01, molecular formula $C_3H_6N_6$).³ Melamine is a crystalline powder or granule typically (but not exclusively) used to manufacture melamine formaldehyde resins. All melamine is covered by the scope of these orders irrespective of purity, particle size, or physical form. Melamine that has been blended with other products is included within this scope when such blends include constituent parts that have been intermingled, but that have not been chemically reacted with each other to produce a different product. For such blends, only the melamine component of the mixture is covered by the scope of these orders. Melamine that is otherwise subject to these orders is not excluded when commingled with melamine from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of these orders.

The subject merchandise is provided for in subheading 2933.61.0000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

Antidumping Duty Order

In accordance with sections 735(b)(1)(A)(i) and 735(d) of the Act, the ITC has notified

² See ITC Notification Letter to the Deputy Assistant Secretary for Enforcement and Compliance referencing ITC Investigation Nos. 701-TA-526-527 and 731-TA-1262-1263 (December 18, 2015) (“ITC Notification”).

³ Melamine is also known as 2,4,6-triamino-s-triazine; 1,3,5-Triazine-2,4,6-triamine; Cyanurotriamide; Cyanurotriamine; Cyanuramide; and by various brand names .

the Department of its final determination in this investigation, in which it found that imports of melamine from the PRC are materially injuring a U.S. industry. Therefore, in accordance with section 735(c)(2) of the Act, we are publishing this antidumping duty order.

As a result of the ITC's final determination, in accordance with section 736(a)(1) of the Act, the Department will direct U.S. Customs and Border Protection ("CBP") to assess, upon further instruction by the Department, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise, for all relevant entries of melamine from the PRC. These antidumping duties will be assessed on unliquidated entries from the PRC entered, or withdrawn from warehouse, for consumption on or after June 18, 2015, the date on which the Department published the *AD Preliminary Determination*,⁴ but will not include entries occurring after the expiration of the provisional measures period and before publication of the ITC's final injury determination, as further described below.

Continuation of Suspension of Liquidation (AD)

In accordance with section 735(c)(1)(B) of the Act, we will instruct CBP to continue to suspend liquidation on entries of subject merchandise from the PRC. We will also instruct CBP to require cash deposits equal to the estimated amount by which the normal value exceeds the U.S. price as indicated in the chart below, adjusted where appropriate for export subsidies.⁵ These instructions suspending liquidation will remain in effect until further notice.

⁴ See *Melamine from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 80 FR 34891 (June 18, 2015) ("*AD Preliminary Determination*").

⁵ See *AD Final Determination*, 80 FR at 68852 (describing the adjustments to the AD margins in more detail); see also sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies in investigations not in the margin calculation program, but in the cash deposit instructions issued to CBP. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the estimated weighted-average antidumping duty margins, adjusted where appropriate for export subsidies, as discussed above.⁶ The "PRC-wide" rate applies to all exporters of subject merchandise not specifically listed.

Provisional Measures (AD)

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months except where exporters representing a significant proportion of exports of the subject merchandise request the Department to extend that four-month period to no more than six months. At the request of exporters that accounted for a significant proportion of exports of melamine from the PRC, we extended the four-month period to no more than six months.⁷ In the underlying investigation, the Department published the *AD Preliminary Determination* on June 18, 2015. Therefore, the six-month period beginning on the date of the publication of the *AD Preliminary Determination* will end on December 15, 2015. Furthermore, section 737(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 733(d) of the Act and our practice, we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of melamine from the PRC entered, or withdrawn from warehouse, for consumption on or after December 15, 2015, the date the provisional measures expired, until

⁶ See sections 736(a)(3), 772(c)(1)(C) and 777A(f) of the Act. Although the statute contemplates an adjustment for estimated domestic subsidy pass through, as stated in the *AD Final Determination*, we are not adjusting the PRC-wide rate for estimated domestic subsidy pass-through in this case because we have no basis upon which to make such an adjustment.

⁷ See *Melamine from the People's Republic of China: Postponement of Final Determination of Sales at Less Than Fair Value*, 80 FR 38175 (July 2, 2015).

and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*.

Estimated Weighted-Average Dumping Margin

The Department determines that the estimated final weighted-average dumping margin is as follows:

Exporter	Weighted-Average Margin (percent)
PRC-Wide Entity ⁸	363.31

Countervailing Duty Order

In accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC has notified the Department of its final determination that the industry in the United States producing melamine is materially injured by reason of subsidized imports of melamine from the PRC.⁹ Therefore, in accordance with section 705(c)(2) and 706(a) of the Act, we are publishing this countervailing duty order.

Pursuant to section 706(a) of the Act, the Department will direct CBP to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of melamine entered, or withdrawn from warehouse, for consumption on or after April 20, 2015, the date on which the Department published its affirmative preliminary countervailing duty determination in

⁸ The PRC-wide entity includes, among other companies, the mandatory respondents Allied Chemicals Inc., Xinji Jiuyuan Chemical Co., Ltd., Sichuan Golden Elephant Sincerity Chemical Co., Ltd., and Zhongyuan Dahua Group Inc., which withdrew from the investigation prior to respondent selection. As stated previously, we will adjust cash deposit rates by the amount of export subsidies, where appropriate. In this LTFV investigation, with regard to PRC-wide entity, export subsidies constitute 9.66 percent of the final calculated countervailing duty rate in the concurrent countervailing duty investigation, and, thus, we will offset the PRC-wide rate of 363.31 percent by the countervailing duty rate attributable to export subsidies (*i.e.*, 9.66 percent). As a result, the cash deposit rate for the PRC-wide entity will be 353.65 percent.

⁹ See ITC Notification.

the *Federal Register*,¹⁰ and before August 18, 2015, the date on which the Department instructed CBP to discontinue the suspension of liquidation in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Entries of melamine made on or after August 18, 2015, and prior to the date of publication of the ITC's final determination in the *Federal Register* are not liable for the assessment of countervailing duties, due to the Department's discontinuation, effective August 18, 2015, of the suspension of liquidation.

Provisional Measures (CVD)

In accordance with Section 703(d) of the Act, the provisional measures period for the countervailing duty investigation ended on August 18, 2015, and CBP was instructed to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of melamine from the PRC, entered, or withdrawn from warehouse, for consumption on or after August 18, 2015, the date the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*.

Suspension of Liquidation (CVD)

In accordance with section 706 of the Act, the Department will direct CBP to reinstitute suspension of liquidation, effective on the date of publication of the ITC's notice of final determination in the *Federal Register*, and to assess, upon further instruction by the Department pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. The Department will also direct CBP to require a cash deposit for each entry of

¹⁰ See *Melamine From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 21706 (April 20, 2015).

subject merchandise in an amount equal to the net countervailable subsidy rates listed below.

The all-others rate applies to all producers and exporters of subject merchandise not specifically listed.

Company	Subsidy Rate (percent)
Far-Reaching Chemical Co., Ltd.	154.00
M and A Chemicals Corp China	154.00
Qingdao Unichem International Trade Co., Ltd.	154.00
Shandong Liaherd Chemical Industry Co., Ltd.	156.90
Zhongyuan Dahua Group Co., Ltd.	154.00
All Others	154.58

Notification to Interested Parties

This notice constitutes the AD and CVD orders with respect to melamine from the PRC pursuant to sections 736(a) and 706(a) of the Act. Interested parties can find an updated list of orders currently in effect by either visiting <http://enforcement.trade.gov/stats/iastats1.html> or by contacting the Department's Central Records Unit, Room B8024 of the main Commerce Building.

These orders are published in accordance with sections 706(a), 736(a), and 777(i) of the Act, and 19 CFR 351.211(b).

Dated: December 21, 2015.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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